

from this date, and as long thereafter as oil or gas, or either of them, is produced from said land by the Lessee.

In consideration of the premises, the said Lessee covenants and agrees:

1st. To deliver to the credit of the Lessor, free of cost, in the pipe line to which he may connect his wells, the equal one-eighth part of all oil produced and saved from the leased premises.

2nd. To pay the Lessor One Hundred Fifty (\$150.00) Dollars each year, in advance for the gas from each well where gas only is found, while the same is being used off the premises, and the Lessor to have gas free of cost from any such well for all stove and all inside lights in the principal dwelling house on said land during the same time by making his own connections with the well, at his own risk and expense.

3rd. To pay Lessor for gas produced from any oil well and used off the premises at the rate of One Hundred Fifty (\$150.00) Dollars per year, for the time during which such gas shall be used, said payments to be made each three months, in advance. Also to pay Lessor one-eighth of the net proceeds derived from the sale of casing-head gas utilized in making gasoline.

If no well be commenced on said land on or before the 28th day of December 1924, this lease shall terminate as to both parties, unless the Lessee on or before that date shall pay or tender to the Lessor, or to the Lessor's credit in the State Bank of Big Piney Bank at Big Piney, Wyoming, or its successors, which shall continue as the depository, regardless of changes in the ownership of said land, the sum of One Hundred Twenty (120) Dollars, which shall operate as a rental and cover the privilege of deferring the commencement of a well for twelve months from said date. In like manner and upon like payments, or tenders, the commencement of a well may be further deferred for like periods of the same number of months successively. And it is understood and agreed that the consideration first recited herein, the down payment, covers not only the privilege granted to the date when said first rental is payable as aforesaid, but also the Lessee's option of extending that period as aforesaid, and any and all other rights conferred.

Should the first well drilled on the above described land be a dry hole, then and in that event, if a second well is not commenced on said land within twelve months from the expiration of the last rental period for which rental has been paid, this lease shall terminate as to both parties, unless the Lessee on or before the expiration of said twelve months shall resume the payment of rentals in the same amount and in the same manner as before provided. And it is agreed that upon the resumption of the payment of rentals, as above provided, that the last preceding paragraph hereof, governing the payment of rentals and the effect thereof, shall continue in force just as though there had been no interruption in the rental payments.

If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties and rentals herein provided for shall be paid the said Lessor only in the proportion which his interest bears to the whole and undivided fee.

Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for his operations thereon, except water from wells of Lessor.

When requested by Lessor, Lessee shall bury all his pipe line below plow depth.

No well shall be drilled nearer than 200 feet to the house or barn now on said premises, without the written consent of Lessor.

Lessee shall pay for damages caused by his operations to growing crops on said land.

Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing.

If the estate of either party hereto is assigned--and the privilege of assigning in whole or in part is expressly allowed--the covenants hereof shall extend to their heirs, executors, administrators, successors or assigns; but no change in the ownership of the land or assignment of rentals or royalties shall be binding on the Lessee until after the Lessee has been furnished with a written transfer or assignment or a true copy thereof; and it is hereby agreed that in the event this lease shall be assigned as to a part or as to parts of the above described lands, and the assignee or assignees of such part or parts shall fail or make default in the payment of the proportionate part of the rents due from him or them, such default shall not operate to defeat or affect this lease in so far as it covers a part or parts of said lands upon which the said Lessee or any assignee thereof shall make due payment of said rental.

Lessor hereby warrants and agrees to defend the title to the lands herein described, and agrees that the Lessee shall have the right at any time to redeem for Lessor, by payment, any mortgagees, taxed or other liens on the above described lands, in the event of default of payment by Lessor, and be subrogated to the rights of the holder thereof.

If said lessee shall at any time forfeit his rights under this lease, as herein provided, he shall within 15 days thereafter release this instrument on the records of said Sublette County.

IN TESTIMONY WHEREOF, We sign, this the 28th day of December, 1923.

WITNESSES:

Ivan S. Jones,

Fred Sorg,

L. W. Davis